expenses) on a model- or product-specific basis. The Department determined, however, that it could not tie the reported model-specific amounts to the respondent's internal accounting records and financial statements, information which was successfully verified. *AFBs From Germany,* 56 FR at 31707. Being unable to devise a methodology to better allocate labor and overhead costs, the Department relied upon total BIA. *Id.* Following a challenge by respondent, the CIT remanded the *AFBs From Germany* determination, stressing that the actual information provided by respondent was accurate and verified. The CIT required the Department to further explain why, instead of relying upon total BIA, it had not supplied its own methodology or that of another respondent. *Nippon Pillow Block Sales Co.* v. *United States,* 820 F. Supp. 1444, 1455 (CIT 1993). Following remand, the CIT upheld the Department's determination that it could not develop an allocation methodology or use that of another respondent which would allow it to use the previously verified data. *Nippon Pillow Block Sales Co.* v. *United States,* 837 F. Supp. 434, 436 (CIT 1993).

Hence, as demonstrated by both the Department's initial determination and the CIT's two decisions, *AFBs From Germany* stands for the principle that the Department should rely upon a party's information to the extent possible. Here, because we found Thyssen's cost information as well as its accounting methodology reasonable and verifiable, we see no reason for resorting to BIA.

With respect to petitioners' claim that it is unclear whether Thyssen reported standard or actual costs, it is clear from the computer tape submitted by Thyssen and from the verification report that Thyssen reported the actual weighted-average cost of producing cold-rolled coil. The adjustments Thyssen made to adjust the base cost to actual cost are described in the cost verification report at pages 5–7. Thyssen adjusted the average cost of coil by three factors on the computer tape: the computer variables CREXT1 and CREXT2 (''extras'') accounted for composition, size, width, and form differences between the average product and the unique product; the computer variable THMOADJ adjusted the average coil cost for year-end accruals, price and overhead variances. These three computer variables adjusted the average coil cost to actual product-specific cost.

Petitioners' reliance upon *New Steel Rail From Canada* is misplaced. In that case, the Department rejected the respondent's COP information after determining that it could not be verified. The Department found, among other deficiencies, that the respondent had developed information for the investigation based on the standard product costs used by the company, ''which were not part of the normal financial accounting system and which were for a period subsequent to the period of investigation.'' *New Steel Rail From Canada,* 54 FR at 31985. Despite having a cost system which reported actual costs, the company in question ''chose not to use this information for its response.'' *Id.* By contrast, there is no evidence in the record of this review indicating that Thyssen deviated from its normal accounting methodology except to the extent necessary to meet the Department's reporting requirements.

We also disagree with petitioners' contention that it is inappropriate to use standard machine times as a basis on which to compute labor cost for specific products. The use of standard machine times as a reasonable and appropriate allocation basis is well substantiated in both accounting and Departmental practice. *Notice of Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination: Certain Welded Stainless Steel Pipes from the Republic of Korea,* 57 FR 27731, 27733 (June 22, 1992). Machine hours effectively relate the labor cost incurred to the specific product. We find it reasonable and not distortive to use standard machine hours to allocate actual processing costs to specific products.

In sum, Thyssen supported its COP and CV figures with substantial evidence on the record as is indicated by the company's questionnaire responses, supplemental responses and verification exhibits. We reviewed and tested the accuracy and completeness of Thyssen's submitted COP and CV data and did not identify any problems which would cast doubt on the company's response as a whole. Accordingly, we have relied on Thyssen's cost response as the basis for our final results of this administrative review.

Comment 5: Petitioners argue that, should the Department determine not to disregard Thyssen's cost response, it must still account for Thyssen's failure to provide actual costs of material inputs from related parties. Petitioners argue that this failure prevents the verification of the valuation of materials acquired from related suppliers and requires the application of BIA.

Petitioners first contend that Thyssen's provision of financial statements or reports for a related iron ore supplier and a related ferrous scrap supplier in lieu of actual costs was insufficient for determining whether transfer prices are above or below the cost of production. Petitioners cite the final determination in the underlying investigation, which stated that ''[f]or the Department to be assured that the transfer prices are above costs, the Department must be able to test the transfer prices against the actual costs of production of the inputs. * * *'' *Notice of Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, Certain Corrosion-Resistant Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate from Germany,* 59 FR 37136, 37151 (July 9, 1993) (*Steel from Germany*). Petitioners argue that the Department's verification of Thyssen's related iron ore supplier was inadequate to show whether transfer prices were above costs, and did not account for the fact that the overall profit on that supplier's income statement may obscure the fact that it incurs costs, on sales to Thyssen that are most likely not incurred on other sales, such as transportation and additional processing costs. Petitioners argue that the COP information provided by the related scrap supplier are also insufficient to demonstrate that the merchandise was sold above the cost of production. Furthermore, petitioners argue that Thyssen failed to distinguish between the cost of merchandise sold to Thyssen and the cost of merchandise sold to other customers. Consequently, petitioners argue that Thyssen failed to demonstrate that the transfer prices paid were above the supplier's cost of production, and therefore the application of BIA is warranted.

Thyssen responds that petitioners' claims ignore the cost verification report, the accompanying exhibits and analysis, as well as the substantial documentation provided by Thyssen. Thyssen points to its March 8, 1995, submission at 8–17 and accompanying exhibits 11–15, and pages 12–16 and exhibit G of the Department's May 17, 1995, cost verification report. Thyssen argues that the Department did not base its decision to accept related party input suppliers' prices solely on profit information in the financial statements. Further, Thyssen provided extensive information relating to sales quantities and production costs for its related iron ore supplier which established that transfer prices were above actual production costs. Thyssen counters that given its related iron ore suppliers'